

March 8, 2022

CALIFORNIA DEPARTMENT OF SOCIAL SERVICES

EXECUTIVE SUMMARY

ALL COUNTY LETTER NO. 22-21

The purpose of this letter is to provide guidance to counties requesting, in accordance with Assembly Bill 2944 (AB 2944), an Alternative Model of Care (AMC) for innovative AFDC-FC programs to support children and Non-Minor Dependents (NMDs) with complex needs.



KIM JOHNSON
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



GAVIN NEWSOM
GOVERNOR

March 8, 2022

ALL COUNTY LETTER NO. 22-21

TO: ALL COUNTY WELFARE DIRECTORS
ALL CHIEF PROBATION OFFICERS
ALL LOCAL MENTAL HEALTH PLAN DIRECTORS
ALL COUNTY ADOPTION AGENCIES
ALL ADOPTION DISTRICT OFFICES
ALL SHORT-TERM RESIDENTIAL THERAPEUTIC PROGRAMS
ALL FOSTER FAMILY AGENCIES
ALL TITLE IV-E AGREEMENT TRIBES

SUBJECT: GUIDELINES FOR COUNTIES TO REQUEST A PROGRAM-SPECIFIC OR CHILD-SPECIFIC RATE FOR AN INNOVATIVE MODEL OF CARE TO SUPPORT CHILDREN AND NON-MINOR DEPENDENTS WITH COMPLEX NEEDS UNABLE TO BE MET IN EXISTING AFDC-FC PROGRAMS OR USING ALTERNATIVE FUNDING SOURCES

REFERENCE: [ASSEMBLY BILL \(AB\) 2944](#) (CHAPTER 104, STATUTES OF 2020); [WELFARE AND INSTITUTIONS CODE \(WIC\) 11460](#); ALL COUNTY LETTER [\(ACL\) 21-119](#); [ACL 21-143](#)

The purpose of this All County Letter (ACL) is to provide guidance to counties requesting a program-specific or a child-specific rate for a county-designed Innovative Model of Care (IMC) providing an innovative program or model of care and services to support foster children and Non-Minor Dependents (NMDs) with complex needs unable to be met in existing Aid to Families with Dependent Children-Foster Care (AFDC-FC) programs or using alternative funding sources.

BACKGROUND

The California Department of Social Services (CDSS) is designated as the single state agency authorized under existing state law to administer a system for establishing rates under the AFDC-FC Program. The passage of Assembly Bill (AB) 2944 (Chapter 104, Statutes of 2020) provided the Department under Welfare and Institutions Code (WIC) section 11460(a)(3), the ability to develop, implement, and approve individualized rates, which may be program-specific or child-specific, for an innovative program or model of

care and services, consistent with existing statewide licensing and AFDC-FC program requirements. An IMC must provide children and NMDs with complex needs with service alternatives to residential care, enhance the ability of children to remain in the least restrictive, most family-like setting as possible, and promote services that address the needs and strengths of individual children and their families. The request for an IMC rate must come from a county, not a provider. The county must pay the entire non-federal share of an IMC, above the existing rate structure established by CDSS or utilize the county allocation for Complex Care pursuant to [ACL 21-119](#) or ACL 21-143, and must monitor the performance and outcomes of the provider to ensure that the purposes of the IMC will be achieved. (See WIC Section 11460(a)(3)(B) & (C)).

An IMC is an innovative county-designed AFDC-FC program or model of care and services, developed to address the complex needs of a unique population of children or NMDs or a specific child or NMD. County Welfare or Probation departments have flexibility to develop a proposal and implement an IMC that utilizes county homes or that partners with a Foster Family Agency (FFA) or Short-Term Residential Therapeutic Program (STRTP). An IMC may also be developed and implemented to serve specific children or NMDs placed with relatives, Non-Relative Extended Family Members (NREFMs), foster family homes, resource families (RFs), including FFAs with intensive services foster care (ISFC) RFs, or STRTPs.

Current AFDC-FC Funded Programs and Alternative Funding Sources

Prior to requesting an IMC, counties should first consider the availability of existing AFDC-FC programs and other federal and state programs and services to maximize federal funding. As a reminder, foster care maintenance payments are intended to help cover the cost of care and supervision, which includes food, clothing, shelter, daily supervision, school supplies, personal incidentals, and reasonable visitation and educational travel. (45 CFR 1355.20; WIC § 11460(b)(1).) The rates for many existing programs include administrative costs necessary to run the program, including personnel, child-to-staff ratios, and operational costs. (See WIC §§ 11460(b)(2), 11462 & 11463.) Any rate requested for an IMC must be similarly limited to covering these care and supervision costs, depending upon the facility type. It cannot include the cost of mental health, behavioral health, or other social services which do not constitute care and supervision costs.

Available programs to be considered include: ISFC Program, STRTPs, Specialized Care Increments (SCIs), Wraparound Services, a new Level of Care rate determination, Therapeutic Foster Care (TFC), Title XIX Specialty Mental Health Services and/or Regional Center services for an eligible child/NMD.

In addition to programs funded under the AFDC-FC Program, counties must consider available alternative funding sources. Counties must consider using their Title XX allocation to fund direct social services consistent with the goals set forth in 42 U.S.C. § 1397. Counties also have access to Title IV-B funds that may be used flexibly to provide services to a child or NMD in foster care to promote their safety, permanence, and well-being. Counties should not request an IMC for care and services already available and funded through other programs, including Medi-Cal and Regional Centers. Most children and NMDs in foster care are automatically eligible for full-scope Medi-Cal benefits. Medi-Cal provides for the physical health and mental health needs of children and NMDs in foster care. Children and NMDs with complex needs are entitled to be screened through the Early Periodic Screening, Diagnostic, and Treatment (EPSDT) program for physical and behavioral health services. Children and NMDs on Medi-Cal may also qualify for intensive services under Specialty Mental Health Services (SMHS). Foster care maintenance payments made under an IMC rate cannot be used to pay for services funded by these other programs; it may only pay for care and supervision. Prior to approving an IMC, the Department will require cost allocation documentation, including documentation related to costs that may be allocated across multiple programs.

Request for an IMC Rate for an Innovative AFDC-FC Program to meet the Complex Needs of an Individual Child or a Unique Population of Children

Under WIC Section 11460(a)(3), the request for an IMC rate must come from a county, not a provider. Counties are encouraged to design innovative programs based on the recognized need the county seeks to meet. A child-specific IMC is one designed to innovatively provide for the complex needs of a specific child or NMD and will be approved for a child-specific IMC rate. A program-specific IMC may be designed if the county recognizes an ongoing need for the IMC to be available based on a unique population of foster children served by the county and its current ability to meet the complex needs of those children utilizing its existing capacity.

As one example of an IMC, a county may request approval for a program design which includes an innovative ISFC Plus IMC, including a professional parent model, designed to serve children or NMDs with complex needs. Approved IMC programs may serve children and NMDs under the jurisdiction of either the child welfare or probation department provided each child has been assessed as needing the specific level of services provided within the model. An ISFC Plus IMC may be operated in either a county-approved resource family home, Tribal Approved Home (TAH), or FFA approved resource family home. The amount of the ISFC Plus IMC rate may exceed the statewide rate established for ISFC programs on the condition that the county pays the entire non-federal share of any additional cost that exceeds the non-federal portion of the statewide system of rates for existing AFDC-FC programs.

As another example, a county placing agency may partner with a provider to create an STRTP of One IMC that can provide care and services for a child or NMD in foster care with complex needs who would not otherwise be successful if placed in an STRTP congregate care setting. This IMC should seek to provide an innovative approach using, in new and original ways, intensive child-to-staff ratios, multi-systemic involvement, intensive clinical supports, intensive care coordination that is focused on a timely transition to a less restrictive setting, and utilize trauma-informed models, including intensive home-based services, wraparound services, and after care supports. As a reminder, an STRTP of One IMC must comply with all the licensing and child welfare requirements that apply to all STRTPs, including the requirement for an assessment by a qualified individual pursuant to WIC Section 4096(g). While an STRTP of One IMC may be either program-specific or child-specific, an STRTP of Two IMC is likely to be program-specific.

In order to address some of the urgent or emergency placement needs of a child or NMD it is recommended counties utilize homes that have been approved already and/or facilities like FFAs and STRTPs that are fully licensed, by the Community Care Licensing Division (CCLD). For STRTPs of One or Two IMCs, the provider and county placing agency are expected to collaborate with the county mental health plan to develop a program description that identifies how each child and NMD will be supported by the IMC rate and to ensure that Mental Health Program Approval (MHPA) and Medi-Cal certification requirements are met.

When requesting an IMC, county placing agencies must include within the request a program description from the provider that includes the following:

- Description of the assessment process used to determine the necessity of the specific services and level of care and supervision provided in the IMC. The assessment process identified should incorporate the Qualified Individual's assessment and Interagency Placement Committee process, if applicable.
- Description of the engagement with the local System of Care Interagency Leadership Team partners. This description should include protocols for ensuring that partner agencies are notified prior to a child being referred to the IMC; that appropriate services are incorporated into the needs and services plan for the child and in the development of the child's transition plan upon placement into the IMC.
- The anticipated length of stay for the IMC, including key milestones for a timely transition to a less restrictive setting.

- Description of whether and how the program can support and serve the placement needs of other counties.

County placing agencies must take the lead in developing and requesting a rate for the IMC pursuant to this letter. The licensure of the program and adherence to all Title IV-E AFDC-FC rate and financial audit requirements remain the responsibility of the provider. The process for establishing an IMC must also involve the CDSS Rates Oversight Unit (ROU).

ROLE OF THE COUNTY PLACING AGENCY

The AB 2944 requires that a county, not a provider, submit any request for an individualized rate for an IMC to the Department. As a condition of any IMC approval, the county must actively monitor a child-specific IMC to determine when to transition the child to another placement and terminate the IMC. The county must notify the Department when the child has transitioned to another placement. For a program-specific IMC, the county must actively build its capacity to meet the needs of its foster children within existing programs and notify the Department when the program-specific IMC is no longer needed. The county placing agency must also:

- Submit all the documentation needed to request an IMC to the ROU, via email to fosterca@dss.ca.gov, including:
 - A letter of intent with their completed packet;
 - The program description, completed in collaboration with the provider and responsible mental health plan, that indicates how the innovative approach will meet the recognized need the county seeks to meet, including specifically how the IMC will meet the complex needs of the child or NMD;
 - IMC Rate Request Form (attachment);
 - CDSS budget template, completed by the provider (contact ROU for template).
- Track and claim allowable costs on the CA 800 to receive FFP.
- Pay the entire non-federal share of any IMC rate approved under AB 2944 that exceeds the amount of the statewide AFDC-FC rate, as required by WIC 11460(a)(3)(B).

- Ensure compliance with the identified assessment process used to determine the necessity of the placement in an IMC. Provide documentation of assessments, upon request, pursuant to program monitoring requirements described below.
- Monitor the performance and outcomes of the provider of the IMC program consistent with the program statement to ensure that the purposes of the innovative model of care and services will be achieved commensurate with the rate as required under WIC 11460(a)(3)(C)(ii), as discussed below.

ROLE OF THE PROVIDER

Pursuant to WIC 11460(a)(3)(C)(i), providers must develop and submit a program description to the county for inclusion with the county's IMC request. A county may assist the provider with the development of the program description that includes the following information:

- A description of the innovative nature of the care and supervision that will be provided by the IMC rate that the child or NMD could not otherwise be provided by the rate for existing AFDC-FC programs and, when applicable, include a description of the mental health, behavioral health, and other services that will be provided using funding from non-AFDC-FC programs;
- Description of any identified needs or services that will not be provided directly by the provider, and how and by which entity those identified needs or services will be provided;
- Description of the population to be served (if a program-specific IMC) or the individual child to be served (if a child-specific IMC);
- The anticipated length of placement that includes a description of the transition plan milestones and activities that will be implemented in partnership with the placement agency and the Child and Family Team;
- Description of the training qualifications required for caregivers and/or staff.

In addition to the program description the provider must:

- Ensure that the program model, caregiver, or provider meets the statewide licensing and program requirements including Resource Family Approval (RFA) or is a licensed facility by the CCLD.
- Complete the CDSS operating budget template, in collaboration with the county.

- Submit the budget template and program description to the county.
- Cooperate with the county and ROU in monitoring the program to ensure that the purposes of the IMC and services will be achieved commensurate with the approved rate.

IMC RATE APPROVAL PROCESS

When all documents have been completed and received by the ROU, the ROU will review and evaluate the IMC request, including the program description. When a **complete** rate package is submitted to the ROU, counties should expect the review process to take approximately two weeks. If the county's request is approved, ROU will assign an IMC rate. The ROU will send a rate approval letter to the county and to the provider. The rate letter will include the effective date of the approved rate.

Approved IMC Rates

An approved **program-specific** IMC rate is assigned to a home-based setting like ISFC or an FFA or a licensed facility like an STRTP. This means any child or NMD placed in the program is assigned the same rate. Each child must be assessed as needing the specific level of services provided within the model. For a program-specific IMC, the county must actively build its capacity to meet the needs of its foster children within existing AFDC-FC programs and services and notify the Department when the program-specific IMC is no longer needed. Approval for a program-specific IMC rate will be revoked when the county obtains the required capacity to meet the needs of its foster children within existing programs and services or it is otherwise determined that the IMC is no longer needed.

An approved **child-specific** IMC rate is tied to the individual child/NMD and approval is automatically revoked when the child or NMD is transitioned to another placement. If a county subsequently wants a different child or NMD to benefit from a similar IMC, a new request with an IMC rate package must be submitted on behalf of that child/NMD. As with all foster care payments any approved IMC rate must be prorated according to the date the child or NMD is placed.

The ROU is available to provide direct technical assistance and support to a provider and/or the county when a program description needs further development or a budget template is incomplete, contains unallowable costs, or is unreasonable. The county placing agency must review all documents, including the provider's budget and program description, prior to submittal. In addition, the ROU will be tracking all "approved" or in review status IMC programs and IMC rates. The ROU is exploring ways to share this

information statewide so that county placing agencies are aware of approved programs that may serve their children or NMDs with complex care needs. Prior to submission of an IMC rate package, it is recommended the county first contact the ROU.

It is recommended a copy of the rate approval letter be shared and maintained in the foster care services and/or eligibility file.

The WIC 11460(a)(3) grants the Department discretion over IMC rate decisions. The Department reserves its right to revoke its approval of or modify an IMC rate as warranted under WIC section 11460(a)(3).

IMC Rates and CalSAWs Process

When counties choose to develop and implement an IMC, the rate may be issued using a non-standard payment functionality in CalSAWs. As with all foster care payments, an approved IMC rate is to be prorated according to the date a child or NMD is placed. It is recommended a copy of the approved rate letter from ROU be shared and maintained in the foster care services and/or eligibility file. Payments will be issued using existing aid codes. Until the department further collaborates with CalSAWs and County Welfare Directors Association of California, it is recommended counties use existing rules and regulations for Notices of Action (NOAs), payments, overpayments, and forms. Further guidance will be issued to address outstanding policy issues, including whether IMC rates can be automated.

IMC and California Necessities Index (CNI) Process

All IMC individualized or program rates approved under AB 2944 will not be adjusted annually to reflect the California Necessities Index. The county must pay the entire non-federal share of any IMC program or individualized rate approved under AB 2944 that exceeds the amount of a CDSS established statewide rate, as required by WIC 11460(a)(3)(B).

AB 2944 AND PROGRAM MONITORING

Pursuant to WIC 11460(a)(3)(C)(ii), county placing agencies, in consultation with the Department, are required to monitor the establishment of a new IMC to ensure performance and outcomes of the IMC program are consistent with the program description. The objective of this monitoring is to ensure that the purposes of the new IMC and services will be achieved commensurate with the approved rate. The CDSS will release subsequent guidance that will include outcome and accountability evaluations and performance measures.

A forthcoming CFL will provide counties with guidance on claiming of IMC rates.

Attached is the IMC Rate Request Form. If you have any questions, need help with the forms or need additional guidance regarding the information in this letter, contact the ROU in the System of Care Branch at (916) 651-2752 or at fosterca@dss.ca.gov

Sincerely,

Original Document Signed By:

ANGIE SCHWARTZ
Deputy Director
Children and Family Services Division

c: CWDA

Attachment

**APPROVAL REQUEST FOR A PROGRAM-SPECIFIC
OR A CHILD-SPECIFIC RATE FOR AN
INNOVATIVE MODEL OF CARE (IMC)
(AB 2944)**

SECTION I – COUNTY OR TRIBE PLACEMENT INFORMATION

Out-of-state (OOS) foster child and/or Non-Minor Dependent (NMD): ☐ Yes ☐ No

IMC type of rate being requested (check one): ☐ Program-Specific ☐ Child-Specific

Number of foster children and/or NMDs rate is being requested for **(rate capacity)**:

Name of foster child and/or NMD being placed: _____

Is the foster child and/or NMD federally eligible? ☐ Yes ☐ No

Placing County or Tribe: _____

Name, Title & Email of County or Tribe contact completing request:

Date County or Tribe places foster child and/or NMD in placement _____

Placement type: ☐ STRTP ☐ FFA ☐ Relative ☐ NREFM ☐ FFH ☐ Other _____

Requested STRTP/FFA program-specific or a child-specific Rate Type:

☐ STRTP of One Rate (*amount exceeds STRTP rate*)

☐ ISFC Plus Rate (*amount exceeds ISFC rate*)

☐ Other _____

**Requested County Home, Tribal Home, Relative Home, NREFM Home or FFH
program-specific or a child-specific Rate Type:**

☐ ISFC Plus Rate (*amount exceeds ISFC rate*)

☐ Other _____

SECTION II – PROVIDER/FACILITY INFORMATION

Provider Name & Facility Number:_____

Provider Address:_____

Provider Telephone Number & Email Address:_____

Is the Provider Accredited? ☐ Yes ☐ No Accrediting Agency_____ Expiration Date_____

Has a Completed CDSS Budget Template been submitted? ☐ Yes ☐ No
(Budget template is required)

Has a Completed Program Description been submitted? ☐ Yes ☐ No
(Program Description is required)

Amount of Program-Specific or Child-Specific rate requested: \$_____

County or Tribe Representative Signature:_____ Date: _____

Please return this form via email to:

SYSTEM OF CARE BRANCH/RATES OVERSIGHT UNIT

fosterca@dss.ca.gov

SUBJECT LINE: IMC RATE REQUEST

SECTION III – RATES OVERSIGHT UNIT USE ONLY

☐ Approved ☐ Denied

CDSS Signature:_____ Date:_____